



**6712-01**

**FEDERAL COMMUNICATIONS COMMISSION**

**47 CFR Chapter I**

**[GN 12-268; FCC 16-47]**

**Declaratory Ruling About Reimbursement of Pre-Auction Expenses**

**AGENCY:** Federal Communications Commission.

**ACTION:** Declaratory ruling.

**SUMMARY:** In this Declaratory Ruling, the Commission determined that the Spectrum Act's reimbursement mandate encompasses "costs reasonably incurred" prior to the close of the auction that otherwise are eligible for reimbursement.

**DATES:** This Declaratory Ruling is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]. This Declaratory Ruling was applicable upon release by the Commission, April 18, 2016.

**FOR FURTHER INFORMATION CONTACT:** Pamela Gallant, 202-418-0614.

**SUPPLEMENTARY INFORMATION:** The Spectrum Act requires the Commission to reimburse broadcast television licensees and multichannel video programming distributors (MVPDs), respectively, for "costs reasonably incurred" in relocating to new channels assigned in the repacking process and in order to continue to carry the signals of stations relocating to new channels. In the Incentive Auction R&O, the Commission established a process that requires eligible entities seeking reimbursement to provide an estimate of their eligible costs following the close of the forward auction and the release of the Channel Reassignment PN. The Commission did not address in the Incentive Auction R&O whether pre-auction expenses are eligible for reimbursement. Interested

parties asked for clarification whether expenses incurred before the auction closes and the repacking results are announced are eligible for reimbursement, explaining that uncertainty regarding this issue discourages advance work that could be performed to expedite the post-auction transition for stations that are reassigned to new channels. In this Declaratory Ruling, the Commission interprets the statutory reimbursement mandate to include “costs reasonably incurred” before and during the auction that otherwise are eligible for reimbursement. Consistent with the Spectrum Act, only stations that ultimately are reassigned to a new channel in their pre-auction band in the repacking process will be eligible for reimbursement of expenses incurred before and during the auction, which will be subject to the same reimbursement process as post-auction expenses. This document does not contain new or modified information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. In addition, therefore, it does not contain any new or modified information collection burden for small business concerns with fewer than 25 employees, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. 3506(c)(4). The Commission will not send a copy of this Declaratory Ruling to Congress and the Government Accountability Office pursuant to the Congressional Review Act, *see* 5 U.S.C. 801(a)(1)(A) because no rules are being adopted by the Commission.

FEDERAL COMMUNICATIONS COMMISSION

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